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Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Along with the delivery of the Notice of the 118th Annual General Meeting of Shareholders, please allow me to say a few words.

From April 2016, the SANYO DENKI Group has been undertaking a five-year Medium-Term Management Plan, of which we are currently in the final fiscal year.

We have been implementing specific measures aimed at the following four management targets:

- (1) Continue to develop **world-leading products** in terms of quality, performance, and reliability.
- (2) Establish a **borderless** sales system in which all Group companies operate under the same management policy to deliver products and services that boast uniform high quality to customers around the world.
- (3) Manage all information in **real time** to grasp every current situation concerning business activities from anywhere in the world.
- (4) Build **factory automation** to improve production efficiency and quality as well as contribute effectively to inventory reduction and production management.

All of this is finally approaching fulfillment.

Regarding “factory automation,” we have completed several automated lines during the fiscal year, including assembly lines for cooling fans and servo amplifiers at the Fujiyama Works. We have also started new trials of the simultaneous operation of product design and production lines.

The technology center at our plant in the Philippines commenced full-scale operation, contributing greatly to the enhancement of new product development and production technology in the Philippines. We are also constructing a new wing of our technology center in Japan, to further strengthen our product development capabilities. We plan to commence operations in May 2021.

Regarding sales activities, we commenced operations at SANYO DENKI (Tianjin) CO., LTD., our group company in Tianjin, China. We are currently working with the Beijing Office of SANYO DENKI (Tianjin) CO., LTD. to expand our sales and services targeting North China and East China

However, due to sluggish demand growth in the machine tools, robots, and semiconductor manufacturing equipment industries, which are the Group’s main target markets, results for the fiscal year were less than satisfactory.

Dividends at the end of the fiscal year under review will be 40 yen per share, if approved at this General Meeting of Shareholders.

We look forward to your continued support.

June 3, 2020

Shigeo Yamamoto  
Chief Executive Officer / President and Chief Operating Officer

**NOTICE OF  
THE 118TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**1. Date and Time:** Friday, June 19, 2020 at 10:00 a.m. Japan time

**2. Place:** Conference Room, 11th Floor  
SANYO DENKI CO., LTD.  
JR Otsuka Minamiguchi Building  
3-33-1, Minami-Otsuka,  
Toshima-ku, Tokyo

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 118th Fiscal Year (April 1, 2019 - March 31, 2020) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
  2. Non-consolidated Financial Statements for the Company's 118th Fiscal Year (April 1, 2019 - March 31, 2020)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Election of 1 Audit & Supervisory Board Member  
**Proposal No. 3:** Payment of Retirement Bonus to Retiring Audit & Supervisory Board Member

- Any updates to the Reference Documents, the Business Report, the Non-consolidated Financial Statements and Consolidated Financial Statements for the General Meeting of Shareholders will be promptly posted on the Company's website (<https://www.sanyodenki.co.jp>).
- Pursuant to laws and regulations and Article 16 of the Articles of Incorporation of the Company, the items below are posted on the Company's website, and are not included in this convocation notice. As a result, these items are included in documents subject to audit that were audited by the Audit & Supervisory Board in preparation of the Audit Report and the Accounting Auditor in preparation of the Independent Auditor's Report.
  - The Business Report Items related to share acquisition rights, etc., the structure and policies of the Company, and the status of its operations
  - Consolidated Financial Statements Consolidated Statements of Changes in Net Assets and notes to the consolidated financial statements
  - Non-consolidated Financial Statements Non-consolidated Statements of Changes in Net Assets and notes to the non-consolidated financial statements

Please note that measures will be implemented on the day of the Annual General Meeting of Shareholders to prevent the spread of COVID-19. These will include the more simplified reporting and the wearing of masks by the Company's officers and staff.

Shareholders are requested to attend the General Meeting of Shareholders only after confirming their own state of health, and to wear a mask if attending the venue. Shareholders are also encouraged to exercise voting rights in writing or via the Internet before the General Meeting of Shareholders, for their own safety.

Should future circumstances necessitate any significant changes to the General Meeting of Shareholders, shareholders will be notified via the website below.

<https://www.sanyodenki.co.jp>

## Exercise of Voting Rights

Voting rights may be exercised via the following methods.

### When attending the meeting in person

Date of Annual General Meeting of Shareholders: Friday, June 19, 2020 at 10:00 a.m. Japan time  
Please submit the enclosed Voting Rights Exercise Form at the reception desk

### When exercising voting rights by writing

Exercise deadline: Arrive by Thursday, June 18, 2020 at 5:00 p.m. Japan time  
Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it without postage.

### **How to fill out the Voting Rights Exercise Form**

Please enter your vote for or against the Proposals here.

The “Login QR Code for use on the voting rights exercise website for smartphones” is provided here.

Proposals

If voting for the proposal, circle the “賛” section.

If voting against the proposal, circle the “否” section.

- The “Voting Rights Exercise Code” and “Password” are provided on the reverses side of the Voting Rights Exercise Form.
- Please see the information below for how to exercise voting rights via the Internet.

### When exercising voting rights via the Internet

Exercise deadline: Input by Thursday, June 18, 2020 at 5:00 p.m. Japan time  
Please indicate your vote for or against the proposals on the voting rights exercise website (<https://www.e-sokai.jp>) or the voting rights exercise website for smartphones.

### **About exercising voting rights via Internet**

#### **Using smartphone or tablet devices**

By scanning the “Login QR Code for the voting rights exercise website for smartphones” provided on the enclosed Voting Rights Exercise Form, voting rights can be exercised from the voting rights exercise website for smartphones. “Voting Rights Exercise Code” and “Password” are not required.

#### **Using personal computers and cellular phones**

Voting rights can be exercised by accessing the voting rights exercise website (<https://www.e-sokai.jp>) and entering the “Voting Rights Exercise Code” and “Password” provided on the enclosed Voting Rights Exercise Form.

**For matters that are unclear regarding exercising voting rights via the Internet, please contact the party below.**

Shareholder registry administrator  
Agency Department, JAPAN SECURITIES AGENTS, LTD.

Dedicated web support line  
0120-707-743 (Toll free within Japan)

Hours of operation  
9:00 a.m. to 9:00 p.m. (Including Saturdays, Sundays, and holidays)

In using the Voting Rights Exercise Website, connection fees to service providers and telecommunication fees (telephone fees, etc.) to telecommunications operators may be required, but these fees are to be borne by the shareholder.

When exercising voting rights, please be aware of the following:

- If you vote both in writing on the Voting Rights Exercise Form and via Internet, the vote placed via Internet will be valid.
- In addition, if you submit your vote multiple times via the same method, the last vote will be valid.
- In the event that there is no indication of for or against, this will be considered as voting for the proposal.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal No. 1: Appropriation of Surplus

To further strengthen the corporate structure and become resilient against harsh competitive forces in the industry for orders, in consideration of future business expansion etc., and while securing internal reserves, the Company has a fundamental policy of providing dividends proportional to business results.

Under this policy, concerning the appropriation of surplus for the fiscal year under review, the Company proposes the following.

Full-year dividends will amount to 90 yen per share, including the interim dividend of 50 yen per share.

1. Year-end dividend  
40 yen per share of common stock of the Company  
Total amount: 484,161,240 yen
2. Effective date of dividends  
June 22, 2020

**Proposal No. 2:** Election of 1 Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member, Hisayuki Ogura will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 1 Audit & Supervisory Board Member is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions		Number of shares of the Company held
New appointment  Hiroaki Hayashi (January 30, 1955)	Apr.	1977	Joined the Company
	Oct.	1996	General Manager, International Sales Department, Sales Division
	Apr.	1998	General Manager, Sales Department 2, Sales Division
	Apr.	2002	General Manager, Hong Kong Branch
	Oct.	2004	Department Manager, Auditing Department
	Feb.	2020	Advisor (current position)
			500 shares

(Notes) 1. There are no special interests between the Company and Mr Hiroaki Hayashi.

**Proposal No. 3: Payment of Retirement Bonus to Retiring Audit & Supervisory Board Member**

As of the conclusion of this Annual General Meeting of Shareholders, Mr. Hisayuki Ogura will retire as Audit & Supervisory Board Member due to expiration of his term of office. The Company proposes the payment of a retirement bonus within an appropriate range for his service while in office, in line with certain standards established by the Company.

The amount of retirement bonus and career summary of the retiring Director is as follows:

Name	Amount		Career summary
Hisayuki Ogura	14 million yen	Jun. 2004	Outside Audit & Supervisory Board Member (current position)

(Reference) Structure After the Annual General Meeting of Shareholders (plan for June 19, 2020 onwards)

The composition of the Board of Directors and the Audit & Supervisory Board will be as follows, if Proposal No.2 is approved and passed.

(1) Board of Directors

Name		Position in the Company
Shigeo Yamamoto	Current appointment	Representative Director Chairman of the Board & CEO
Nobumasa Kodama	Current appointment	Representative Director President & COO
Chihiro Nakayama	Current appointment	Director Senior Executive Operating Officer
Yoshimasa Matsumoto	Current appointment	Director Executive Operating Officer
Shigejiro Miyata	Current appointment	Director Executive Operating Officer
Yuichiro Miyake	Current appointment	Director
	Outside Director	
	Independent Director	
Toru Suzuki	Current appointment	Director
	Outside Director	
	Independent Director	
Hiroshi Suwa	Current appointment	Director
	Outside Director	
	Independent Director	

(1) Audit & Supervisory Board

Name		Position in the Company
Sakon Hatanaka	Current appointment	Audit & Supervisory Board Member (Full-time)
Hiroaki Hayashi	New appointment	Audit & Supervisory Board Member (Full-time)
Fumio Amano	Current appointment	Audit & Supervisory Board Member (Full-time)
	Outside Audit & Supervisory Board Member	
	Independent Audit & Supervisory Board Member	
Takeshi Yamamoto	Current appointment	Audit & Supervisory Board Member
	Outside Audit & Supervisory Board Member	
	Independent Audit & Supervisory Board Member	